

Balancing Authority of Northern California

Regular Meeting of the Commissioners of BANC

2:00 P.M.

Wednesday, October 22, 2025

2377 Gold Meadow Way

1st Floor Conference Room

Gold River, CA 95670

Balancing Authority of Northern California

NOTICE OF REGULAR MEETING AND AGENDA

Notice is hereby given that a regular meeting of the Commissioners of the Balancing Authority of Northern California (BANC) will be held on **October 22, 2025 at 2:00 p.m. at 2377 Gold Meadow Way, 1st Floor Conference Room, Gold River, CA 95670.**

The following information is being provided as the forum by which members of the public may observe the meeting and offer public comment:

Phone: 1-301-715-8592 or 1-305-224-1968

Meeting ID: 827 1970 6882

Passcode: 714627

Meeting Link: <https://us06web.zoom.us/j/82719706882?pwd=62Vw1Wb0ZOckhub6PPRAmks8J4fetJ.1>

If a member of the public would like to make a comment during the public comment period, please use the 'Raise Hand' function and staff will note your desire to speak. For members of the public joining by telephone (audio only), please email your public comment to administrator@braunlegal.com. Public comment received by email will be read within the allotted public comment period.

Public Meeting Locations:

Any member of the public may observe the meeting and offer public comment at the following addresses where Commissioners may also join the meeting:

Redding Electric Utility

3611 Avtech Parkway (Bally Conference Room)

Redding, CA 96002

AGENDA

- 1 Call to Order and Verification of Quorum.**
- 2 Matters subsequent to posting the Agenda.**
- 3 Public Comment** – any member of the public may address the Commissioners concerning any matter on the agenda.
- 4 Consent Agenda.**
 - A. Minutes of the Regular Commission Meeting and Strategic Planning Session held on August 27, 2025.
 - B. BANC Operator Report (August and September).
 - C. Compliance Officer Reports (September and October).
 - D. PC Committee Chair Reports (September and October).
 - E. General Manager's Report and Strategic Initiatives Update.
- 5 Regular Agenda Items – Discussion and Possible Action.**
 - A. General Manager Updates.
 - i. Market Updates – EIM, EDAM, Pathways, Markets+, WPP.
 - B. Consider and Possibly Approve Resolution 25-10-01 *Authorization to Execute BANC SMUD Master Services Agreement.*
 - C. Consider and Possibly Approve Resolution 25-10-02 *Approval of 2026 Annual Budget for BANC.*
 - D. Discussion on 2025 BANC Strategic Planning Session – Next Steps.
 - E. Member Updates.
- 6 Closed Session:** Conference with legal counsel in anticipation of litigation pursuant to Cal. Gov't Code § 54956.9; anticipated litigation, one (1) matter: Federal Contracting Matters.
- 7 Adjournment.**

Accessible Public Meetings - Upon request, BANC will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least 3 days before the meeting. Requests should be sent to: Kris Kirkegaard, 2600 Capitol Avenue, Suite 400, Sacramento, CA 95816 or to administrator@braunlegal.com.

Balancing Authority of Northern California

Consent Agenda Items

- A. Minutes of the August 27, 2025 BANC Regular Meeting and Strategic Planning Session.**
- B. BANC Operator Reports (August and September).**
- C. Compliance Officer Reports (September and October).**
- D. PC Committee Chair Report (September and October).**
- E. General Manager's Report and Strategic Initiatives Update.**

MINUTES OF THE REGULAR MEETING AND STRATEGIC PLANNING SESSION
OF THE COMMISSIONERS OF
THE BALANCING AUTHORITY OF NORTHERN CALIFORNIA (BANC)

August 27, 2025

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California and Strategic Planning Session was held at 555 Capitol Mall, Suite 100, Sacramento, CA 95814.

Representatives:

Member Agency	Commissioner
Modesto Irrigation District (MID)	Martin Caballero
City of Redding	Nick Zettel
City of Roseville	Dan Beans Shawn Matchim, BANC Chair
Sacramento Municipal Utility District (SMUD)	Laura Lewis, Alternate
City of Shasta Lake	James Takehara
Trinity Public Utilities District (TPUD)	Paul Hauser

Other Participants:

Melanie Frye	WECC President & CEO
Jim Robb	NERC President & CEO
Jim Shetler	General Manager
Tony Braun	BANC General Counsel
Justin Wynne	BANC General Counsel
Chris Hofmann	BANC Operator
James Leigh-Kendall	BANC Compliance Officer
Kris Kirkegaard	BANC General Counsel Support
Jon Olson	BANC Staff
Wei Shao	BANC Operator
Brock Costalupes	Alternate Commissioner, Modesto Irrigation District (MID)
Joe Bowers	Alternate Commissioner, City of Redding
Bill Forsythe	Alternate Commissioner, City of Roseville
Michelle Williams	Western Area Power Administration
William Slinkard	Western Area Power Administration
Autumn Wolfe	Western Area Power Administration

1. Call to Order and Verification of Quorum: Mr. Shetler confirmed the quorum; attendance is noted above. Chair Matchim called the meeting to order at 2:00 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment (any matter on the agenda): None.
4. Consent Agenda: Chair Matchim invited comments from the Commission and a motion on the Consent Agenda; no comments.

ACTION: M/S (Caballero/Lewis) to approve the Consent Agenda. Motion carried by a unanimous vote.
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5. BANC Strategic Planning Session.

A. “Balancing Reliability, Affordability, and Sustainability in an Uncertain Environment” Panel Discussion:

Mr. Shetler introduced Melanie Frye, WECC President & CEO and Jim Robb, NERC President & CEO, and they answered a series of prepared questions regarding the changing resource mix, increasing load growth, severe weather and wildfire-related resiliency challenges, and changing energy policy. They also took questions from the participants.

B. Review of BANC Strategic Initiatives & Discussion on New Initiatives.

Mr. Shetler teed up current BANC focus areas for discussion and input: Reliable Grid Operations, Supporting Regulatory Services for Initiatives, Day-Ahead Market Expansion, Resource Adequacy development, and Resource Development. Mr. Braun spoke to transmission developments and how it fits into BANC’s future, requesting input from participants.

C. Review Action Items.

Mr. Shetler summarized the action items around each of these areas and committed to translating them into an updated set of strategic initiatives for 2025-26 to be presented at an upcoming Commission meeting.

5. Regular Agenda Items – Discussion and Possible Action.

A. Consider and Possibly Approve Resolution 25-08-01 *Approval of Revised Participant Percentages and Cost Allocation Agreement Using Net Energy for Load.*

Mr. Shetler noted that unanimous approval was needed to change the methodology under the JPA and invited comments from Mr. Braun, who briefly explained the rationale behind the proposed change. Questions from the Commission were addressed.

ACTION: M/S (Lewis/Zettel) to approve Resolution 25-08-02 <i>Approval of Revised Participant Percentages and Cost Allocation Agreement Using Net Energy for Load.</i> Motion carried by a unanimous vote.

B. Discussion on Draft 2026 BANC Annual Budget.

Mr. Shetler overviewed the proposed budget, noting that additional amendments would be incorporated prior to another update at the September meeting, with approval likely to be requested in October. No Commission approval was requested at this time, but questions were taken from the Commission.

C. Member Updates.

No updates were provided.

The Commission adjourned at 4:07 p.m.

Minutes approved on October 22, 2025.

C. Anthony Braun, Secretary



BALANCING AUTHORITY OF NORTHERN CALIFORNIA

P.O. BOX 15830 • D109 • SACRAMENTO • CA 95852 -1830

TO: BANC Commission

RE: BANC Operator Report for August 2025

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): N/A
- RSG Activations
 - 0 Qualifying Event(s)
 - 0 MW Qualifying Event request
 - 0 MW average generation lost
 - 0 MW maximum generation lost
 - Generating unit(s) and date(s) affected: None
 - All recoveries within 0 minutes
- USF
 - 14 of 31 days with instances of USF mitigation procedure utilized
 - 0 days on Path 66
 - No operational impact on BANC
- BAAL Operation:
 - Maximum duration of BAAL exceedance: 2 Minutes
 - Number of BAAL exceedance >10 minutes: None
 - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
 - 2025 Frequency Response Obligation (FRO): -18.7 MW/0.1Hz
 - Q2 Frequency Response Measure (FRM): -93.1 MW/0.1Hz
 - Q2 Number of Under-Performed Events: 0 out of 3
 - Q1~Q2 Frequency Response Measure (FRM): -62.6 MW/0.1Hz
 - Q1~Q2 Number of Under-Performed Events: 1 out of 5

Monthly Notes:

- None

A JOINT POWERS AUTHORITY AMONG

Modesto Irrigation District, City of Redding, City of Roseville, Trinity Public Utilities District,
City of Shasta Lake, and Sacramento Municipal Utility District



BALANCING AUTHORITY OF NORTHERN CALIFORNIA

P.O. BOX 15830 • D109 • SACRAMENTO • CA 95852 -1830

TO: BANC Commission

RE: BANC Operator Report for September 2025

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): N/A
- RSG Activations
 - 1 Qualifying Event(s)
 - 0 MW Qualifying Event request
 - 122 MW average generation lost
 - 122 MW maximum generation lost
 - Generating unit(s) and date(s) affected: 9/8/25
Shasta Powerplant lightning strike tripped Units 3 & 4, Shasta Unit 1 tripped due to another lightning strike, Spring Creek Powerplant began to ramp down.
 - All recoveries within 11 minutes
- USF
 - 9 of 30 days with instances of USF mitigation procedure utilized
 - 0 days on Path 66
 - No operational impact on BANC
- BAAL Operation:
 - Maximum duration of BAAL exceedance: 3 Minutes
 - Number of BAAL exceedance >10 minutes: None
 - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
 - 2025 Frequency Response Obligation (FRO): -18.7 MW/0.1Hz
 - Q2 Frequency Response Measure (FRM): -93.1 MW/0.1Hz
 - Q2 Number of Under-Performed Events: 0 out of 3
 - Q1~Q2 Frequency Response Measure (FRM): -62.6 MW/0.1Hz
 - Q1~Q2 Number of Under-Performed Events: 1 out of 5

Monthly Notes:

- None

A JOINT POWERS AUTHORITY AMONG

Modesto Irrigation District, City of Redding, City of Roseville, Trinity Public Utilities District,

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City of Shasta Lake, and Sacramento Municipal Utility District

Compliance Officer Report

BANC Commission Meeting

September 2025

The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified on a future Commission agenda for action.

BA Compliance Issues:

- No significant operational Balancing Authority compliance events occurred.
- All required BA compliance reports and operating data have been submitted to WECC.
- BANC's 2025 Entity Monitoring Schedule (WECC):
 - BANC received a Notice of Compliance Exception on August 27th from WECC for the potential non-compliance (PNC) identified during the audit.
 - Compliance Exceptions are matters that are not to be pursued through enforcement, as WECC determined that a minimal risk was posed to the reliability of the Bulk Power System. Compliance Exceptions are not included in a Registered Entity's compliance purposes for penalty purposes.

BANC MCRC:

The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, September 22nd via teleconference.

Compliance Officer Report

BANC Commission Meeting

October 2025

The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified on the Commission agenda for action.

BA Compliance Issues:

- No significant operational Balancing Authority compliance events occurred.
- All required BA compliance reports and operating data have been submitted to WECC.
- BANC Self-Logging Program Updates:
 - On October 9th, the SMUD and BANC Compliance Officers received a letter from WECC outlining updates and enhancements for entities enrolled in WECC's Self-Logging Program.
 - Enhancements include recognition for the program, faster processing, and tailored Compliance Monitoring and Enforcement Program (CMEP) Analysis.

BANC MCRC:

The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, October 27th via teleconference.

PC Committee Chair Report

BANC Commission Meeting

September 2025

The following summarizes Planning Coordinator-related activities and updates for the Commission's information and consideration. Any major issues or action items will be identified separately on a future Commission agenda for action.

BANC PC Committee Updates and/or activities:

SMUD staff continues to work toward demonstrating compliance with PC-related NERC reliability standards.

- FAC-002-4 – Facility Interconnection Studies – Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document, and it was posted on the BANC website and distributed on August 22nd 2025.
- FAC-014-3 - Establish and Communicate SOLs – Staff finalized the FAC-014-3 procedure that describes how the FAC-014-3 compliance actions process will be followed for the BANC PC. Staff evaluated the 2025 Assessment results, and there were no SOLs developed to address any deficiencies found during the assessment. The draft report to document these findings is under initial internal review and will be shared with BANC PC Participants for their formal review and comment by the end of September 2025.
- MOD-033-2 Model Validation – MOD-033-2 model validation study will be started fall of 2025 for both dynamic and steady state and completed by the end of this year.
- PRC-006-5 Automatic Underfrequency Load Shedding –BANC PC Participants submitted their 2025 ULFS data to use in response to the annual Southern Island Load Tripping Plan (SILTP) data collection coordinated by the Off-Nominal System Protection & Restoration (OFSPR). The OFSPR then compiled and sent the SILTP as a coordinated annual plan to WECC for PRC-006-5 compliance in an annual report for year 2025. Staff is participating in ongoing WECC level PRC-006-5 studies to determine the effectiveness of the existing UFLS for the Southern Island. Staff continues to participate in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings to coordinate on studies and guidance document updates.
- PRC-012 Remedial Action Schemes Assessment – Staff will perform a comprehensive “once in every 60 calendar months” Remedial Action Scheme (RAS) assessment to demonstrate that the BANC PC portion of the Bulk Electric System (BES) meets all performance and other requirements specified in the NERC Reliability Standard PRC-012-2 Requirement 4. Staff sent out the study plan for comments and review. The final study report will be completed by December 31st. A survey on the BANC's member's RAS schemes was sent out early March.

- PRC-023-6 –The PRC-023-6 analysis did not identify any sub 200 kV circuits that PRC-023-6 applies to and BANC PC Participants were communicated these results on May 30th. A draft report was created and reviewed by BANC PC Participants. The finalized report was shared with industry stakeholders on August 15th.
- PRC-026-2 – The annual 2025 BANC PC PRC-026-2 transient stability assessment did not identify any BANC BES PC elements that meet the requirement R1 Criteria 1-4 measures listed below after running the BANC PC Participant BES element contingencies based on NERC Standard TPL-001-5.1. This information was communicated to BANC PC Participants August 1st and will be added to the upcoming 2025 BANC PC PRC-026-2 draft report. The draft report is under initial review and will be shared with BANC PC Participants for their formal review and comment by the end of September.
- TPL-001-5.1 - Transmission System Planning Performance – BANC assessment draft is being created to be sent out for review by October 3rd.
- TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events - Staff completed GMD voltage portion of the study to assess the GMD event's impact on the bulk system voltages and reactive power consumptions within the BANC PC Participants' areas. The voltage portion of the study was not included in the WECC 2022 GMD study which only included the GIC portion of the study. The 2024 mock auditor recommended performing the additional voltage study for compliance. The GMD voltage study report was sent out to BANC PC Participants for review on March 12th.

The table below shows the current status of all PC-related NERC standards:

	PC Standard	Estimated % Complete	Notes
1	FAC-002-4 Interconnection Studies	100%	Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document after BANC PC review, and it was posted on BANC website and distributed on 8/22/25. Staff also received responses from BANC PC Participants for a list of qualified changes for their system for years 2025-26 and any generation resource projects 20 MVA or more that are connected to 60 kV or above. There are no BES level projects requiring additional FAC-002 assessments.

	PC Standard	Estimated % Complete	Notes
2	FAC-014-3 Establish and Communicate SOLs	80%	Staff finalized the FAC-014-3 procedure that describes how the FAC-014-3 compliance actions process will be followed for BANC PC. Staff participated in Audit interviews for FAC-014-3 with WECC. Staff evaluated ratings and provided communication to impacted parties where BANC PC is using different ratings than RC West. Staff evaluated the 2025 Assessment results, and there were no SOLs developed to address any deficiencies found during the assessment. The upcoming draft report to document these findings is under internal review and will be shared with BANC PC Participants for their formal review and comment by 9/30/25.
3	IRO-017-1 Outage Coordination	0%	Awaiting the acceptance of the 2025 annual assessment to be sent to the Reliability Coordinator.
4	MOD-031-3 Demand and Energy Data	100%	The 2025 WECC Loads and Resources data and narrative response requests have been provided by BANC PC Participants and WASN for data entry and narrative response, and this information was uploaded to WECC on 2/14/25.
5	MOD-032-1 Data for Power System Modeling & Analysis	50%	Ongoing activity. Data requests to fulfill 13-month cycle for compliance.
6	MOD-033-2 System Model Validation	0%	MOD-033-2 study will be started in Fall of 2025, and the final report will be completed by the end of this year.

	PC Standard	Estimated % Complete	Notes
7	PRC-006-5 Underfrequency Load Shedding	90%	Staff continues to participate in WECC Under-Frequency Load Shed Working Group representing BANC PC as necessary. BANC PC Participants completed the 2025 ULFS data request for the annual Southern Island Load Tripping Plan (SILTP) coordinated by the Off-Nominal System Protection & Restoration (OFSPR). The OFSPR compiled the data and sent the SILTP as a coordinated annual plan to WECC for PRC-006-5 compliance in the annual report for 2025. Staff is participating in ongoing WECC level PRC-006-5 studies to determine the effectiveness of the existing UFLS for the Southern Island. Staff also continues to participate in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings to coordinate on studies and guidance document updates.
8	PRC-010-2 Undervoltage Load Shedding	100%	Staff had completed performing the UVLS assessment studies. A draft version of the report was sent to Roseville for review and comments on 9/19/24 and the final Report was issued on 12/24/24.
9	PRC-012-2 Remedial Action Schemes	10%	Staff sent the study plan for review and comments. The final study report will be completed by 12/31/25. A survey on the BANC members' RAS schemes was sent out early March.
10	PRC-023-6 Transmission Relay Loadability	100%	The study plans were finalized and distributed to BANC PC Participants on 5/02/25, and staff has completed the powerflow assessment and drafted a report for BANC PC Participant review, and the finalized report was shared with industry stakeholders on 08/15/25.

	PC Standard	Estimated % Complete	Notes
11	PRC-026-2 Relay Performance During Stable Power Swings	75%	The study plans were finalized and distributed to BANC PC Participants on 05/02/25. The annual 2025 BANC PC PRC-026-2 transient stability assessment did not identify any BES BANC PC elements that meet the requirement R1 Criteria 1-4 measures listed below after running the BANC PC Participant BES element contingencies based on NERC Standard TPL-001-5.1. This information was communicated to BANC PC Participants on 08/01/25 and was added to the upcoming 2025 BANC PC PRC-026-2 draft report. The draft report is under internal review and will be shared with BANC PC Participants for their formal review and comment by the end of September.
12	TPL-001-5 Transmission System Planning Performance	90%	Draft assessment being prepared for review.
13	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events - Staff completed GMD voltage portion of the study to assess the GMD event impact on the bulk system voltages and reactive power consumptions within the BANC PC Participants' areas. The GMD voltage portion of the study was not included in the WECC 2022 GMD study, which only included GIC portion of the study. The GMD additional voltage study report was sent out to the BANC PC Participants on 3/12/25.

PC Committee Chair Report

BANC Commission Meeting

October 2025

The following summarizes Planning Coordinator-related activities and updates for the Commission's information and consideration. Any major issues or action items will be identified separately on the Commission agenda for action.

BANC PC Committee Updates and/or activities:

SMUD staff continues to work toward demonstrating compliance with PC-related NERC reliability standards.

- FAC-002-4 – Facility Interconnection Studies – Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document, and it was posted on BANC website and distributed on August 22nd.
- FAC-014-3 - Establish and Communicate SOLs – Staff shared the FAC-014-3 draft report with BANC PC Participants for their formal review and comment by October 10th.
- MOD-033-2 Model Validation – Initial data request for the Steady State Portion of this validation was sent out on October 3rd with a deadline of October 17th.
- PRC-006-5 Automatic Underfrequency Load Shedding – Staff is participating in ongoing WECC level PRC-006-5 studies to determine the effectiveness of the existing UFLS for the Southern Island in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings and is reviewing PRC-006-5 WECC Variance SAR document updates posted by WECC for review.
- PRC-012 Remedial Action Schemes Assessment – Staff will perform a comprehensive “once in every 60 calendar months” Remedial Action Scheme (RAS) assessment to demonstrate that the BANC PC portion of the Bulk Electric System (BES) meets all performance and other requirements specified in the NERC Reliability Standard PRC-012-2 Requirement 4. Staff sent out the study plan for comments and review. The final study report will be completed by December 31st. A survey on the BANC's member's RAS schemes was sent out early March.
- PRC-023-6 –The PRC-023-6 analysis did not identify any sub 200 kV circuits that PRC-023-6 applies to and BANC PC Participants were communicated these results on 05/30/25. A draft report was created and reviewed by BANC PC participants. The finalized report was shared with industry stakeholders on August 15th.
- PRC-026-2 – The annual 2025 BANC PC PRC-026-2 transient stability assessment did not identify any BES BANC PC elements that meet the requirement R1 Criteria 1-4 measures listed below after running the BANC PC Participant BES element contingencies based on NERC Standard TPL-001-5.1. This information was communicated to BANC PC Participants on August 1st. The draft report was shared with BANC PC Participants for their formal review and comment by October 10th.

- TPL-001-5.1 - Transmission System Planning Performance – The draft BANC assessment report was sent out for review with comments due by October 10th. Comments are being reviewed and compiled and the final report is to be sent out by October 17th.
- TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events - Staff completed the GMD voltage portion of the study to assess the GMD events' impact on the bulk system voltages and reactive power consumptions within the BANC PC Participants' areas. The voltage portion of the study was not included in the WECC 2022 GMD study which only included the GIC portion of the study. The 2024 mock auditor recommended to perform the additional voltage study for compliance. The GMD voltage study report was sent out to BANC PC Participants for review on March 12th.

The table below shows the current status of all PC-related NERC standards:

	PC Standard	Estimated % Complete	Notes
1	FAC-002-4 Interconnection Studies	100%	Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document after BANC PC review, and it was posted on BANC PC website and distributed on 8/22/25. Staff also received responses from BANC PC Participants for a list of qualified changes for their system for years 2025-26 and any generation resource projects 20 MVA or more that are connected to 60 kV or above. There are no BES level projects requiring additional FAC-002 assessments.
2	FAC-014-3 Establish and Communicate SOLs	85%	Staff finalized the FAC-014-3 procedure that describes how the FAC-014-3 compliance actions process will be followed for BANC PC. Staff participated in Audit interviews for FAC-014-3 with WECC. Staff evaluated ratings and provided communication to impacted parties where BANC PC is using different ratings than RC West. Staff evaluated the 2025 Assessment results and there were no SOLs developed to address any deficiencies found during the assessment. The upcoming draft report to document these findings is under BANC PC Participants for their formal review and comment by 10/10/25.
3	IRO-017-1 Outage Coordination	0%	Awaiting the acceptance of the 2025 annual assessment to be sent to the Reliability Coordinator.

	PC Standard	Estimated % Complete	Notes
4	MOD-031-3 Demand and Energy Data	100%	The 2025 WECC Loads and Resources data and narrative response requests have been provided by BANC PC participants and WASN for data entry and narrative response, and this information was uploaded to WECC on 2/14/25.
5	MOD-032-1 Data for Power System Modeling & Analysis	50%	Ongoing activity. Data requests to fulfill 13-month cycle for compliance.
6	MOD-033-2 System Model Validation	10%	Steady state data request was sent out and is due by 10/17/25.
7	PRC-006-5 Underfrequency Load Shedding	90%	Staff continues to participate in WECC Under-Frequency Load Shed Working Group representing BANC PC as necessary. BANC PC Participants completed the 2025 ULFS data request for the annual Southern Island Load Tripping Plan (SILTP) coordinated by the Off-Nominal System Protection & Restoration (OFSPR). The OFSPR compiled the data and sent the SILTP as a coordinated annual plan to WECC for PRC-006-5 compliance in the annual report for 2025. Staff is participating in ongoing WECC level PRC-006-5 studies to determine the effectiveness of the existing UFLS for the Southern Island. Staff continues to participate in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings to coordinate on studies and staff is also reviewing the PRC-006-5 SAR Variance Update by WECC.
8	PRC-010-2 Undervoltage Load Shedding	100%	Staff had completed performing the UVLS assessment studies. A draft version of the report was sent to Roseville for review and comments on 9/19/24 and the final report was issued on 12/24/24.
9	PRC-012-2 Remedial Action Schemes	10%	Staff sent the study plan for review and comments. The final study report will be completed by 12/31/25. A survey on the BANC members' RAS schemes was sent out early March.
10	PRC-023-6 Transmission Relay Loadability	100%	The study plans were finalized and distributed to BANC PC Participants on 5/02/25 and staff has completed the powerflow assessment and drafted a report for review. The report was reviewed by BANC PC Participants. The finalized report was shared with industry stakeholders on 8/15/25.

	PC Standard	Estimated % Complete	Notes
11	PRC-026-2 Relay Performance During Stable Power Swings	80%	The study plans were finalized and distributed to BANC PC Participants on 5/02/25. The annual 2025 BANC PC PRC-026-2 transient stability assessment did not identify any BES BANC PC elements that meet the requirement R1 Criteria 1-4 measures listed below after running the BANC PC Participant BES element contingencies based on NERC Standard TPL-001-5.1. This information was communicated to BANC PC Participants on 8/01/25 and added to the 2025 BANC PC PRC-026-2 draft report. The draft report is under BANC PC Participants for their formal review and comment by 10/10/25.
12	TPL-001-5 Transmission System Planning Performance	95%	Draft assessment was sent out for PC Participant review, and the final will be sent out on 10/17/25.
13	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events - Staff completed GMD voltage portion of the study to assess the GMD event impact on the bulk system voltages and reactive power consumptions within the BANC PC Participants' areas. The GMD voltage portion of the study was not included in the WECC 2022 GMD study which only included GIC portion of the study. The GMD additional voltage study report was sent out to the BANC PC Participants on 3/12/25.

GM Report

BANC Commission Meeting

October 22, 2025

I wanted to summarize routine issues for the Commission's information and consideration. Any major issues or action items will be identified separately on the Commission agenda for action.

Outreach Efforts:

Refer to GM outreach report provided under separate distribution. In addition, here are some other noteworthy items:

LADWP/Seattle City Light/SRP

Dialogue continues with these entities on an as needed basis regarding EIM participation and day-ahead market issues.

Market Initiatives:

EIM Participation

Staff continues monitoring EIM participation. CAISO quarterly benefit reports show that BANC is seeing benefits from EIM participation, with the 2nd Quarter 2025 report showing gross benefits of \$35.86 million for BANC, with a total of \$857.19 millions of gross benefits for BANC since joining in 2019.

With respect to BANC EIM Phase 2 effort, BANC has been passing the EIM Balancing, Capacity, and Flex Ramp tests with a high success rate. Both the Technical Evaluation Subcommittee and the Settlements Subcommittee are meeting routinely and evaluating EIM operations, with reports out to the Markets Committee.

EDAM Participation

As a result of comments received in the PacifiCorp EDAM OATT filing at FERC, the CAISO initiated a stakeholder process to evaluate concerns raised regarding congestion revenue allocation. This resulted in an amendment to the EDAM tariff which was approved for filing at FERC at the June joint CAISO Board of Governors and WEM Governing Body meeting. FERC issued the order approving the CAISO tariff amendment on August 29, 2025. At the same time, FERC issued the orders approving the PacifiCorp and PGE OATT amendments for EDAM participation. FERC upheld the OATT requirements and rejected the arguments offered by Powerex and SPP. A request for rehearing has been filed at FERC.

A group of Western state regulators (AZ, CA, NM, OR, and WA) sent a letter to CREPC/WIRAB in July 2023 supporting the creation of an independent entity that would leverage the existing CAISO infrastructure for EIM and eventually EDAM to develop a cost-effective West-wide market. This would include a range of voluntary market services from EIM to EDAM to an RTO. BANC has been an active participant in the Western Markets Governance Pathways Initiative Launch Committee. The Launch Committee issued a draft proposal on April 10, 2024, outlining a stepwise approach to independent oversight over CAISO markets. The Launch Committee approved the Step 1 proposal which recommended WEM Governing Body primary authority over market rules on 5/31/24. The CAISO Board of Governors and the WEM Governing Body approved the Step 1 proposal on 8/13/24. On 11/8/24 the combined boards approved the necessary documentation to allow the Step 1 primary authority model to move forward once the level of EDAM Implementation Agreement signatories reaches the designated threshold value and FERC approvals are received. The CAISO filed the tariff changes with FERC for the Step 1 proposal, which have been approved by FERC. The designated threshold for Step 1 was reached when Public Service of New Mexico signed an Implementation Agreement in July and primary authority by the WEM Governing Body has been implemented. The Launch Committee approved a final draft of the Pathways Step 2 proposal on November 22, which would move oversight of market design to the sole authority of a new independent Regional Organization board. The BANC General Manager is participating in the Formation Committee which is working with the CAISO to move forward with creation of the proposed Regional Organization for Step 2. The Formation Committee initiated its discussions in January 2025 and is currently finalizing its scope, schedule, and budget for this effort. California legislation that would allow the Step 2 proposal to be implemented has been filed at the California Legislature. An amended version of the bill has been voted out of both the Assembly and the Senate and has been approved by the Governor.

The BANC EDAM Implementation project is moving forward. The EDAM Implementation Agreement has been executed with the CAISO and was approved by FERC in January. Based upon the CAISO decision to move EDAM go-live for the 2027 entities to the fall, BANC has revised the schedule and budget for the project and obtained Commission concurrence at its July meeting.

Other Market Developments

In parallel with the EDAM process, SPP is moving forward with its “Markets+” effort to support interested utilities in the West with a range of market options from EIM to full RTO services. SPP filed the Markets+ tariff at FERC on March 29, 2024. FERC approved the SPP Markets+ tariff at its meeting on January 16, 2025. BPA has issued its draft decision letter supporting Markets+ participation. SPP has indicated that “go-live” for Markets+ is currently forecasted for 2027. SPP announced that it has secured sufficient funding commitments to move forward with the next phase of Markets+ development.

WAPA:

Market Engagement

WAPA-SNR continues to be an active participant in the EIM.

BANC is working with WAPA-SNR to facilitate their EDAM implementation efforts including assisting with OATT development.

WECC:

WECC Board Meetings

The last set of Board and committee meetings were held on September 17-18, 2025, in Salt Lake City, UT, which was the annual meeting. The next set of meetings will be December 9-10, 2025, in Salt Lake City, UT.

Western Power Pool (WPP):

Western Resource Adequacy Program (WRAP)

BANC continues to monitor development of the WRAP and hold periodic discussions with WPP regarding their development efforts. The WRAP participants recently formally voted to extend the binding date to 2027. Based upon this request, WPP filed an amended WRAP tariff at FERC in December 2024 which was approved by FERC in January 2025. WPP is seeking commitments from its participants by 10/31/25 to participate in the binding period starting in 2027. NVE has filed an IRP update with the Nevada Commission stating that they will not be moving forward with binding participation in WRAP. Other WRAP entities that are planning to join EDAM are also evaluating their participation in WRAP.

RSG and FRSG Participation

BANC continues to participate in the Reserve Sharing Group and the Frequency Response Sharing Group through the WPP and receive benefits in doing so.

WestTEC

WPP has initiated a new process called the Western Transmission Expansion Coalition (WestTEC) which is intended to provide coordination among the current regional transmission planning entities in the West (CAISO, Northern Tier, and WestConnect) to determine if there are some broader regional transmission projects that should be considered. WPP has obtained DOE funding for this effort and implementation is moving forward. They are currently envisioning a 2.5-year process with an initial 10-year plan to be issued in 2025 and a 20-year plan in 2026. The draft 10-year plan has been posted for comment.

CDWR Delta Pumping Load:

The current schedule for the project is to initiate construction in 2033 with operations initiated in 2040's.

SB100 Implementation:

As part of SB100, the CPUC, CEC, and CARB (Joint Agencies) are required to collaborate with the California BAs to develop a quadrennial report on the status of achieving the goals of SB100. The four POU BAs (BANC, IID, LADWP, and TID) are collaborating on positions and responses, facilitated by CMUA. The final, initial report was issued on 3/15/21. The CEC did reach out to the POU BAAs in early March 2021 seeking more engagement with the BAAs for the next round of analysis for the SB100 effort. Based upon discussions, the POU BAAs hired a consultant via CMUA to assist in this effort. BANC is working with IID, LADWP, and TID to coordinate our engagement in this effort. The CEC has reached out to the POU BAAs to discuss the status of their modeling efforts with an initial meeting held on 3/28/25. We expect additional meetings with the CEC as it prepares its final triennial report, though it is not clear when it will be issued.

Western Electricity Industry Leaders (WEIL) Group:

The WEIL CEOs last met on September 26, 2025, in Portland, OR. The next meeting of the WEIL group is planned for February 6, 2026, in San Diego, CA.

Strategic Initiatives:

The 2024/2025 Strategic Initiatives are attached to this report. Based upon the discussions at the BANC Strategic Planning Session in August, staff is updating the Strategic Initiatives for 2025/2026, which will be presented at the October meeting..

BANC 2024/2025 Strategic Plan - Routine Initiatives - October 2025 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
1 Medium	INDEPENDENCE	Effectively oversee the BA operations.	Jim Shetler	Ongoing	See monthly Ops, PC, Compliance, & GM Reports
2 Medium		Maintain long-term succession plan and traits for General Manager	Jim Shetler/Commission	Ongoing as Necessary	No update planned for 2025
3 Medium		Develop appropriate policies, procedures, & action tracking	Jim Shetler/BB&W	4th Qtr. 2025	
4 Medium	OUTREACH	Engage in industry forums (WECC, RC West, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & WPP mtgs.
5 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL/SRP/LA/TP/TID on EIM/EDAM & SB100
6 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BB&W	Ongoing as Necessary	Pathways legislation enacted by CA
7 Medium		More formal engagement with TID on BA/EIM/EDAM issues	Jim Shetler/BB&W	Ongoing	Meeting held 6/24 on EDAM coordination & Sutter CCS
8 Medium	ASSETS	Monitor RA development in WI	Jim S./BB&W/Res. Com.	4th Qtr. 2025	WRAP tariff amendments approved by FERC in Jan.
9 Medium		Develop BANC-wide IRP Report	Jim S./Res. Comm	3rd Qtr. 2025	Consideration of MSA with SMUD at 10/22 meeting
10 High		Upgrade BANC RA Program	Jim S./Res. Comm.	4th Qtr. 2025	Commission approved selection of Brattle
11 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing as Appropriate	

BANC 2024/2025 Strategic Plan - Focused Initiatives - October 2025 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
12 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
13 High		EDAM implementation effort ~ Manage BANC EDAM implementation	Jim Shetler/BB&W/ Utilicast	Oct-27	Schedule/budget finalized for fall 2027 Go Live
14 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, Tacoma, Idaho, PAC, & PGE
15 Medium		Regional Policy Issues: Monitor/ weigh-in where appropriate	Jim Shetler/Commission	Ongoing	Attended Western Energy Summit - Boise, ID 8/20-22
16 High		Market Regionalization: ~Monitor ongoing discussions at WEIL, WWGPI, & etc.	Jim Shetler/BB&W	Ongoing	Formation Committee efforts ongoing
17 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BB&W	Ongoing	
18 High	ASSETS	~ Develop agreements for Sutter CS Project	Jim S./BB&W/Res. Com.	4th Qtr. 2025	Forecast Calpine update 4th Qtr. 2025
19 High		~ Develop/issue BANC resource solicitation	Jim S./BB&W/Res. Com.	Mid-2026	Holding RFP for RA program development
20 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	

Balancing Authority of Northern California

Agenda Item 5B

1. **Resolution 25-10-01 *Authorization to Execute BANC SMUD Master Services Agreement.***
2. **Attachment A to Resolution 25-10-01: BANC SMUD Master Services Agreement (Approval Draft).**

Braun Blaising & Wynne, P.C.

Attorneys at Law

10/16/2025

To: BANC Commission
From: BANC Counsel
RE: Authorization to Execute Master Services Agreement between BANC and SMUD

This Memorandum describes and summarizes the Master Services Agreement (MSA) approval draft that is before the Commission for consideration and possible approval.

As the Commission is aware, the Sacramento Municipal Utility District (SMUD) provides a host of services to BANC and its members. These services range from BANC Operator services to market settlement and other support, and they also include more targeted tasks such as Planning Coordinator services for certain members and the current Integrated Resource Plan (IRP) aggregation. While the core services such as BANC Operator services may migrate to a MSA arrangement over time, that is not the initial intention of this effort, which is focused on standalone tasks. Indeed, we anticipate that the first Task Order will be for the IRP associated work.

The structure of the approach will be to memorialize all the generally applicable terms of agreement in the MSA, with the scope of services and agreement on cost and cost allocation within the Task Order. If the Task Order is for services rendered directly to BANC, the Task Order will be the final contractual step to effectuate services. If the services are for a member, BANC will enter into a corresponding agreement with the member for whom services is being provided.

The intent of the MSA is to streamline the use of SMUD for contracted services to BANC or its members. As such, it is anticipated that the Task Orders will not be brought back to the Commission for approval but would be within the authority of the BANC General Manager to execute. However, this does not override the existing delegation of authority to the BANC General Manager, which includes the ability to execute agreements up to \$250,000, assuming consistency with other requirements such as budget constraints. If a Task Order Scope of Work exceeds this delegated amount, the Task Order will be brought to the Commission for possible approval.

The agreement is straightforward and typical of similar arrangements based on our experience, and also reflects that this is an agreement between BANC and one of its members:

- The agreement is evergreen, but can be terminated simply by either party;
- SMUD as a service provider is not assuming the functional registration of any party or member when providing compliance services;

- There are limitations of liability for both Parties to the agreement;
- There are confidentiality provisions for applicable services that utilize the existing WECC data sharing processes and agreements; and
- There is a requirement to attempt to resolve in good faith any dispute, but there is no mandatory mediation or arbitration provision.

We will be prepared to answer any follow up questions for the Commission when this is brought forward at the October Commission meeting.

**Balancing Authority of Northern California
Resolution 25-10-01**

AUTHORIZATION TO EXECUTE MASTER SERVICES AGREEMENT BETWEEN BANC AND SMUD

WHEREAS, the Balancing Authority of Northern California ("BANC") was created by a Joint Powers Agreement ("JPA") to, among other things, acquire, construct, maintain, operate, and finance Projects; and

WHEREAS, the JPA Agreement provides, in Section 15, that the BANC shall obtain certain management, technical, financial, accounting, engineering, legal, operational, and other support services on behalf of the BANC, including using SMUD as the initial BANC Operator; and

WHEREAS, SMUD was formerly registered and certified as a Balancing Authority (BA), Transmission Operator (TOP), Transmission Planner (TPL), Planning Coordinator (PC) by NERC and has established and maintains facilities, supporting infrastructure, and skilled personnel; and

WHEREAS, SMUD also provides certain services including TOP, PC and other services to BANC and various BANC Members related to such entities compliance with Reliability Standards or other purpose under separate agreements, for example the letter agreement dated May 8, 2019 under which SMUD Transmission Planners perform annual studies to serve as input to the BANC (PC) Annual Assessment Services; and

WHEREAS, SMUD and BANC wish to establish a consolidated contractual relationship with respect to these services and future additional services (MSA Services) that BANC or BANC Members request of SMUD on behalf of BANC, whether for NERC compliance or other matters; and

WHEREAS, SMUD provides many of the same services for its internal business purposes that are required or desired by BANC and BANC Members and has the capability to efficiently perform these services and expects to have or attain the availability to support the BANC MSA Services as determined on a case-by-case basis; and

WHEREAS, for purposes of clarity, SMUD is providing MSA Services to BANC solely as a contractor subject to the terms and conditions set forth in this Agreement; and

WHEREAS, this Agreement is a master agreement with individual Task Orders that will define the scope and costs for services; and

WHEREAS, it is intended that this Agreement and associated Task Orders will replace and supersede certain existing agreements for services over time.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby approve the Master Services Agreement between BANC and SMUD and authorize and direct the General Manager to execute the Agreement.

**Balancing Authority of Northern California
Resolution 25-10-01**

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California
this 22nd day of October 2025, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	Martin Caballero				
City of Redding	Joe Bowers				
City of Roseville	Shawn Matchim				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

Shawn Matchim
Chair

Attest by: C. Anthony Braun
Secretary



**MASTER PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE
THE BALANCING AUTHORITY OF NORTHERN CALIFORNIA
AND THE
SACRAMENTO MUNICIPAL UTILITY DISTRICT**

APPROVAL DRAFT

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1 PREAMBLE

This Master Professional Services Agreement (Agreement) is entered into between the BALANCING AUTHORITY OF NORTHERN CALIFORNIA, a joint exercise of powers agency (JPA) organized under Section 6500 *et seq.*, of the California Government Code, hereinafter called "BANC," its successors and assigns and the SACRAMENTO MUNICIPAL UTILITY DISTRICT (SMUD), a local publicly owned electric utility within the State of California, acting as a contractor to BANC. BANC and SMUD may be referred to herein individually as the "Party" or collectively as the "Parties."

2 EXPLANATORY RECITALS

- 2.1** WHEREAS BANC was established initially by SMUD, the Modesto Irrigation District (Modesto), the City of Redding (Redding), and the City of Roseville (Roseville), individually referred to as "Member" or collectively as "Members," on May 18, 2009 through the JPA in order to create a joint exercise of powers agency to establish and implement a North American Electric Reliability Corporation (NERC) registered Balancing Authority to replace SMUD as the Registered Balancing Authority;
- 2.2** WHEREAS, the JPA Agreement provides, in Section 15, that the BANC shall obtain certain management, technical, financial, accounting, engineering, legal, operational, and other support services on behalf of the BANC, including using SMUD as the initial BANC Operator;
- 2.3** WHEREAS, SMUD was formerly registered and certified as a Balancing Authority (BA), Transmission Operator (TOP), Transmission Planner (TPL), Planning Coordinator (PC) by NERC and: (a) operated as a BA from June 18, 2002 until May 1, 2011 when BANC became operational as the registered BA for the former SMUD BA footprint and SMUD performed the operational role as the BANC BA operator; (b) has established and maintains facilities, supporting infrastructure, skilled personnel and established appropriate relationships with the neighboring BAs and TOPs; and (c) performs certain BA services related or equivalent to Ancillary Services on behalf of BANC for WAPA, and the Transmission Agency of Northern California (TANC);
- 2.4** WHEREAS, SMUD also provides certain services including TOP, PC and other services to BANC and various BANC Members related to such entities compliance with Reliability Standards or other purpose under separate agreements, in particular the letter agreement dated May 8, 2019 under which SMUD Transmission Planners perform annual studies to serve as input to the BANC (PC) Annual Assessment Services;
- 2.5** WHEREAS, SMUD and BANC wish to establish a consolidated contractual relationship with respect to these services and future additional services (MSA

Services) that BANC or BANC Members request of SMUD on behalf of BANC, whether for NERC compliance, or federal or state regulatory or other matters;

- 2.6 WHEREAS, SMUD provides many of the same services for its internal business purposes that are required or desired by BANC and BANC Members and has the capability to efficiently perform these services and expects to have or attain the availability to support the BANC MSA Services as determined on a case-by-case basis;
- 2.7 WHEREAS, for purposes of clarity, SMUD is providing MSA Services to BANC solely as a contractor subject to the terms and conditions set forth in this Agreement;
- 2.8 WHEREAS, this Agreement is a master agreement with individual Task Orders in Exhibit A, and as may be agreed to in the future, for additions or revisions to the services, which is intended to retain flexibility for current and future services, and to permit the Parties to amend or modify the provisions of specific services without necessarily affecting other services;
- 2.9 WHEREAS, this Agreement and associated Task Orders will replace and supersede certain existing agreements for services.

NOW THEREFORE, in view of the understandings set forth in the recitals above, which the Parties acknowledge and agree are accurate representations of the facts, the Parties agree to the terms of this Agreement that set forth the roles, obligations, and responsibilities of each Party to one another.

3 DEFINITIONS

The following terms with initial capitalization, whether singular or plural, have the meaning set forth below:

- 3.1 **Compliance** means full performance of the tasks and responsibilities and associated measures required by the Mandatory Reliability Standards and requirements of a Compliance Enforcement Authority.
- 3.2 **Compliance Enforcement Authority** means FERC, NERC, WECC, and any other agency, court, organization, or other entity or person duly authorized pursuant to law or regulation to: (a) audit or determine compliance with applicable Reliability Standards; or (b) impose, enforce, excuse, or rescind Penalties or otherwise take action binding on one or more Parties with respect to a finding of failure to comply with a Reliability Standard.
- 3.3 **Confidential Information** means: (a) all written materials marked "Confidential," "Proprietary," or with words of similar import provided to a Party by another Party; (b) all observations of equipment (including computer screens) and oral disclosures related to a Party's business, systems, operations, or activities that are indicated as such at the time of observation or disclosure (or is identified as "confidential" or "proprietary" in a

letter sent to another Party no later than five (5) calendar days after the disclosure), respectively, and (c) information provided under the Western Interconnection Data Sharing Agreement. Confidential Information includes portions of documents, records, and other material forms or representations that any Party may create, including but not limited to, handwritten notes or summaries that contain or are derived from such Confidential Information.

- 3.4 Data Exchange Agreement** means the Agreement between BANC and SMUD for the exchange of information for purposes as described in Section 10.4.
- 3.5 Effective Date** means the date upon which the last of the Parties has executed this Agreement.
- 3.6 Event of Default** means any Party's failure to perform its obligations in accordance with this Agreement as defined in Section 25.
- 3.7 Mandatory Reliability Standard or Reliability Standard** shall mean each NERC Mandatory Reliability Standard applicable to an MSA Service performed for BANC functions and involve Compliance.
- 3.8 NERC** means the North American Electric Reliability Corporation which has responsibility to develop and approve Mandatory Reliability Standards applicable to users, owners and operators of the Bulk Electric System (BES) and has delegated authority to the Western Electricity Coordinating Council (WECC) to enforce Mandatory Reliability Standards applicable within the WECC.
- 3.9 Good Utility Practice** means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. With respect to the provision of compliance related services, Good Utility Practice includes the judgments and determinations SMUD makes or would make regarding the compliance information used to support the same compliance requirements for itself.
- 3.10 Registered Entity** shall mean the entity that is required to demonstrate Compliance with applicable Reliability Standards and is listed on the NERC and WECC registry as the entity responsible for a designated functional element and the entities registered as their delegates for the purpose of Compliance.
- 3.11 Scope of Services** shall mean those MSA Services described in the Task Orders to be performed by SMUD, as generally described in Sections 6 and 7.

3.12 Task Order shall mean an individual Scope of Services, as described in Section 7, and attached as Exhibit A.

3.13 Uncontrollable Force shall mean any cause beyond the control of the Party affected, including but not limited to Act of God, change in law, flood, earthquake, storm, lightning, fire, pandemic, epidemic, tariffs, war, riot, civil disturbance, labor disturbance, sabotage, and restraint by court or public authority, which by exercise of due diligence and foresight, such Party could not reasonably have been expected to avoid and that prevents fulfillment of an obligation under this Agreement. Any Party rendered unable to fulfill any obligation by reason of Uncontrollable Force shall exercise commercially reasonable efforts to remove such inability with all reasonable dispatch. Notwithstanding the foregoing, Uncontrollable Force shall not include lack of financial resources, material cost increases, or other economic conditions.

4 TERM AND TERMINATION

4.1 Effective Date

The Agreement shall be effective upon the Effective Date.

4.2 Term

This Agreement shall remain in effect unless terminated by either Party according to the terms of this Agreement, or upon mutual agreement of the Parties.

4.3 Termination

4.3.1 Termination for Convenience

Either Party shall provide written notice to the other Party of its intent to terminate at least one hundred and eighty (180) calendar days before the termination is effective. In the event that all Task Orders are terminated, then this Agreement shall be terminated as well.

4.3.2 Termination for Event of Default

If an Event of Default occurs, the non-defaulting party shall have a right to terminate this Agreement pursuant to Section 25.

4.3.3 Task Orders

Task Order(s) shall be terminated according to their own terms.

4.3.4 Transition

In the event of termination of the Agreement or any Task Order, SMUD agrees to work with BANC to coordinate transfer to BANC or a BANC contractor for any or all Task Order services provided under this Agreement.

- 4.3.4.1 Within thirty (30) calendar days after the termination date, SMUD shall submit an invoice to BANC for all fees, costs, and expenses incurred by SMUD for the Scope of Services rendered up to the effective date of termination.

5 RESERVED

6 SCOPE OF SERVICES

6.1 General

The Parties have structured this Agreement as a master agreement with individual Task Orders for specific MSA Services that will be attached to and incorporated into this Agreement in Exhibit A, pursuant to Section 7 below. Requirements and obligations under this Agreement will begin for each Task Order if or when BANC and SMUD both approve the individual Task Order, at which time the general requirements of this Agreement shall apply to the services in the Task Order. In addition, from time to time, BANC may desire revisions to the services or additional services that SMUD may be willing to provide. Revisions of the services or Additional services may be added to this Agreement through amending the existing Task Orders or entering into a new Task Order that is approved and executed by the Parties.

6.2 Good Utility Practice

For all services related to providing MSA Services including Compliance services related, SMUD agrees to use Good Utility Practice to perform the applicable Scope of Services set forth in the Task Orders, which are incorporated by reference herein.

6.3 Information Assistance

Upon SMUD's request, BANC shall provide such information and assistance as is reasonably required for SMUD to provide the tasks set forth in the Scope of Services. If BANC fails to provide SMUD with such requested information or assistance, then SMUD shall continue to provide in a timely manner any such portion(s) of the affected Task Order that SMUD can reasonably provide to the extent possible in the absence of such information or assistance. Notwithstanding any provision to the contrary herein, failure by BANC to provide SMUD with such information or assistance shall not constitute an Event of Default; provided, however, that SMUD's performance or lack of performance under this Agreement shall be excused to the extent that it is hindered, prevented, or impacted as a result of BANC's failure to provide such information or assistance as is reasonably available to BANC and not otherwise reasonably available to SMUD. In any case, the Parties shall

timely inform each other of any such deficiencies in writing and correct such situation(s) as soon as reasonably practicable.

7 TASK ORDERS

7.1 Task Orders

Pursuant to the provisions of this Agreement, SMUD shall provide certain MSA Services to BANC as described and implemented in the Task Orders, attached and incorporated herein as Exhibit A to this Agreement. Task Orders shall be executed by the Parties and attached hereto. Certain Task Orders may be for services provided from SMUD to BANC, in which case SMUD and BANC shall execute. In instances where services are rendered from SMUD through BANC for the benefit of a BANC member or third party, the entities to which to services are provided shall execute the Task Order. Each Task Order by this reference is incorporated as part of this Agreement. For certain services relevant to Compliance with Reliability Standards, SMUD is a services provider under any executed Task Order and does not assume BANC or BANC Member Compliance obligations for applicable Registered Entity functions that may be relevant to the services provided under any Task Order. BANC, and the BANC Member or third-party as applicable, expressly releases SMUD from any and all liability associated with such compliance in SMUD's role providing MSA Services under this Agreement, except solely as provided in section 9 of the Agreement. By execution of a Task Order, any BANC Member or third party agrees to be bound to the entirety of this Agreement for the purposes of services provided under the applicable Task Order. SMUD will create, store, and produce documentation necessary to provide evidence of compliance to a Compliance Enforcement Authority related to MSA Services performed hereunder.

7.2 Reliability Services Compliance

To the extent the MSA Services include Compliance activities, SMUD will provide Compliance evidence requested by BANC in response to a Compliance monitoring or enforcement activity undertaken by a Compliance Enforcement Authority. SMUD shall make commercially reasonable efforts to provide such Compliance evidence for BANC to respond to requests by the Compliance Enforcement Authority and meet any deadline set by the Compliance Enforcement Authority.

By virtue of BANC's Compliance obligations in accordance with its applicable registrations or compliance arrangements associated with the Task Orders performed by SMUD hereunder, BANC retains the Compliance responsibilities and any resulting violations, penalties, fines, corrective measures, etc. thereof. Accordingly, SMUD in its performance of the MSA Services under the Task Orders, is not directly accountable to the Compliance Enforcement Authority for BANC's or BANC Member Compliance responsibilities or liable for any non-compliance thereof.

7.3 Amendments

Upon mutual agreement of the Parties, Task Orders may be amended, or new Task Orders issued, for additional services. Each Party may delegate authority to individuals (such as an executive or management member or staff member) to agree to any amended or new Task Orders.

8 COSTS AND COMPENSATION

BANC agrees to compensate SMUD for its performance of the Scope of Services in the Task Orders under this Agreement in accordance with the following:

8.1 SMUD Cost Recovery

Cost recovery for the performance of the Scope of Services shall be delineated in each applicable Task Order as agreed to by the Parties.

For non-SMUD expenses, SMUD shall work with BANC to identify all non-SMUD expenses that can be identified as necessary or desirable to complete the work identified in the Task Order. BANC shall work to accommodate reasonable expenses that are necessary to meet applicable standards of care for work performed by SMUD under any Task Order. After mutual agreement, SMUD is authorized to pay, and unless alternative arrangements are made, shall pass through without mark-up, any and all expenses incurred by SMUD that are required to perform services for BANC.

8.2 Invoice

SMUD will submit to BANC an invoice by e-mail and/or U.S. Mail for such SMUD cost recovery, and non-SMUD expenses. The invoice procedure may vary for each Task Order; as such, the Task Orders shall include the specific invoicing process for that Task Order.

8.3 Disputed Invoices

BANC shall pay SMUD according to the timeline(s) in each Task Order. BANC shall give notice to SMUD of any disputed invoice charges before the applicable payment deadline or ten (10) business days, whichever occurs first, in accordance with this Section 8.4. BANC shall pay all undisputed portions of invoices to SMUD according to the timeline(s) in each Task Order. Upon resolution of the invoice dispute, BANC shall remit any amount owed with ten (10) calendar days from date of the resolution of the invoice dispute. If the invoice dispute cannot be resolved within a period ending no longer than thirty (30) calendar days of the date on which BANC notifies SMUD of a dispute or such longer period as the Parties may agree to, then the dispute resolution process in Section 13 shall commence with executive negotiation. Notwithstanding the above, in no event shall payment of any invoice be a waiver of BANC's rights to challenge an invoiced amount, invoke the dispute resolution proceedings in Section 13, file suit, or otherwise seek recovery of improper billings.

8.4 Late Payments

Late payments of undisputed amounts hereunder shall accrue interest at an annual rate equal to the weekly average one year constant maturity United States Treasury yield at the time of the delinquency plus 2%, but not to exceed 7% per annum, commencing on the first day when such payment is delinquent, or, in the case of disputed amounts, ten (10) calendar days after such dispute is resolved.

8.5 Payment Submittal

Payments will be submitted via electronic wire pursuant to instructions provided by SMUD.

8.6 Performance

SMUD shall be under no obligation to perform services under Task Orders unless BANC has agreed through execution of the Task Order to pay for the services as set forth in the Task Order or the Parties have agreed through a Task Order to defer payment for the services pursuant to Section 8.4.

9 LIMITATION OF LIABILITY

9.1 General

Except for any loss, damage, claim, cost, charge, or expense resulting from gross negligence or intentional misconduct, or for the nonpayment of monies due, neither Party, its directors, members of governing bodies, officers, employees, or agents shall be liable to the other Party for any death, injury, loss, damage, claim, cost, charge, or expense of any kind or nature incurred by the other Party, including, without limitation, direct, indirect, or consequential loss, damage, claim, cost, charge, or expense; and whether or not resulting from the negligence of any Party, its directors, members of governing bodies, officers, employees, or any person or entity whose negligence would be imputed to such Party from the performance or non-performance of the obligations under the Agreement, provided that any such liability to SMUD shall be limited to the amount of payments made during the period of occurrence of such liability.

9.2 Waiver of Consequential Damages

Neither Party hereunder shall be liable for special, incidental, exemplary, indirect or consequential damages, whether based on contract or tort (including such Party's own negligence) and including, but not limited to, loss of profits or revenue, loss of use of the equipment or any associated equipment, cost of capital, cost of purchased power, cost of substitute equipment, facilities or services, downtime costs, or claims of customers of either Party for such damages.

10 CONFIDENTIALITY

10.1 Treatment of Confidential Information

The Parties recognize that for the purposes of carrying out the Scope of Services, SMUD and BANC may receive information from each other that is considered Confidential Information. Except as set forth herein, the Parties agree to keep in confidence and not to voluntarily disclose, disseminate, or distribute outside of SMUD and BANC any Confidential Information or any part thereof, without the prior written permission of the other Party.

SMUD and BANC are both signatories of the Western Interconnection Data Sharing Agreement (WIDSA) for information/data exchanged thereunder, referred to as Covered Data. For Covered Data, the WIDSA shall control. This Agreement shall control all other information/data. In the event of conflict or inconsistency between this Section 10 and any provision in the WIDSA, the provisions of the WIDSA shall prevail.

10.2 Required Disclosure of Confidential Information

As provided in the WECC Compliance Monitoring and Enforcement Program (CMEP), or as required by subpoena, the California Public Records Act, or other legal or regulatory process, the Parties may be required to disclose Confidential Information so designated by the other Party. Compliance with a subpoena, request under the California Public Records Act, or other legal or regulatory process shall not constitute a breach of this Agreement. If either Party is required, as determined at its sole discretion, to disclose any Confidential Information so designated by the other Party, the disclosing Party shall notify the other Party in writing as promptly as feasible so that the other Party may, if it so chooses and at its own expense, challenge the disclosure or seek a protective order. The disclosing Party shall reasonably cooperate in resolving the dispute.

10.3 Third Parties

Except as set forth herein, each Party shall keep Confidential Information in confidence and shall not disclose such information or otherwise make it available, in any form or manner, to any other person or entity other than its employees, consultants, or attorneys without the prior written consent of the other Party. Each Party will cause each of its employees, contractors, sub-contractors, sub-contractors' employees, and agents who will have access to Confidential Information, if any, to acknowledge that they have read this Agreement and agree to abide by all of its terms regarding the use and disclosure of Confidential Information. Disclosure of Confidential Information to SMUD's Compliance Officer (as defined by SMUD) does not constitute a breach of this Agreement.

10.4 Destruction of Data

Except when necessary to comply with the record retention laws of the State of California, upon termination of this Agreement or a Task Order, the Confidential Information relevant to the applicable Scope of Services shall be destroyed or returned to the other Party, as soon as reasonably practicable.

11 COMMUNICATION

Each Party shall designate a Primary Project Representative with sufficient knowledge about the services provided under this Agreement to serve as the primary point of contact. The Party's Primary Project Representative shall be identified in Appendix 1 to this Agreement. The Primary Project Representative shall be kept apprised of developments relevant to the services being provided.

12 RESERVED

13 DISPUTE RESOLUTION

In the event of any dispute regarding the terms, conditions, and performance of this Agreement, the Parties shall attempt in good faith to promptly resolve any such dispute informally by the operating personnel of each Party. If the dispute cannot be settled through such negotiations within a period ending no longer than thirty (30) calendar days of the date on which one Party notifies the other in writing of a dispute or such longer period as the Parties may agree to, the executive representative(s), or his or her delegate, from each Party, will personally and in good faith seek to resolve the dispute through negotiation (Negotiation Period). If the matter cannot be resolved through the executive negotiation, any Party may pursue a remedy in any court of competent jurisdiction.

13.1 Continuing Performance Obligations

While a dispute, controversy, or claim is pending, each Party will continue to perform its respective obligations under the Agreement, unless such Party is otherwise entitled to suspend its performance hereunder or terminate the Agreement in accordance with the terms hereof.

13.2 Fees

Each Party shall bear its own attorney's fees and costs with respect to any dispute.

14 AMENDMENT

This Agreement may only be amended or otherwise modified with the written agreement of the Parties.

15 RELATIONSHIP OF PARTIES

15.1 Independent Contractor

SMUD shall perform the Scope of Services as an independent contractor, and SMUD or any of its officers, employees, or agents shall not be treated as an employee of BANC for federal, state, or local tax purposes, workers' compensation purposes, or any other purpose. The Parties acknowledge and agree that nothing contained in this Agreement shall be deemed to create or constitute an employer-employee relationship, a partnership, or a joint venture between the Parties.

15.2 Non-Exclusive Relationship

BANC hereby expressly acknowledges that SMUD may provide the same or similar services as contemplated under this Agreement to other entities. However, SMUD's performance of the Scope of Services will not be adversely affected by work for other entities. In addition, the parties agree that BANC may seek and obtain services from other entities that may supplement or be similar to services that SMUD may provide under this Agreement.

16 PROHIBITED INTERESTS

SMUD further covenants that, in the performance of this Agreement, no company or person having any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Scope of Services under this Agreement shall be employed.

17 GOVERNING LAW

The rights and obligations of the Parties and the interpretation and performance of this Agreement shall be governed by the laws of the State of California. The Parties agree that any suit, action or other legal proceeding by or against any Party with respect to or arising out of this Agreement shall be brought in the courts sitting in the County of Sacramento, California.

18 NO THIRD PARTY BENEFICIARIES

No right or obligation contained in this Agreement shall inure to the benefit of any person or entity not a Party to this Agreement. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any third party.

19 ASSIGNMENTS

BANC or SMUD may make an assignment of its rights and obligations under this Agreement only after obtaining the written consent of the other Party, which consent may be withheld in the non-assigning Party's sole discretion. A Party's assignee shall expressly assume, in writing, the duties and obligations of such Party under this Agreement and shall immediately furnish or cause to be furnished to the other Party a true and correct copy of the documents evidencing such assignment and assumption of duties and obligations. The assigning Party shall give notice to and provide the other Party with a copy of the documents evidencing such proposed assignment no less than thirty (30) calendar days prior to the proposed effective date of the assignment.

20 NO EXCLUSIVE REMEDY

Subject to the provisions of Section 13 (Dispute Resolution), no remedy in this Agreement conferred upon or reserved to any Party is intended to be exclusive of any other remedy or remedies available under this Agreement or existing at law, in equity, by statute, or otherwise, but each and every such remedy shall be cumulative and shall be in addition to every other remedy under this Agreement or now or hereafter existing at law or in equity or otherwise provided by statute. The pursuit by any Party of any specific remedy shall not be deemed to be an election of that remedy to the exclusion of any other or others, whether provided hereunder or at law, in equity, by statute, or otherwise.

21 INSURANCE

Each Party acknowledges that the other party is a self-insured public entity and agree that this coverage protects against liability and claims arising out of the performance of this agreement.

22 RESERVED

23 RESERVED

24 UNCONTROLLABLE FORCE

24.1 Performance

No Party shall be considered to be in default in the performance of any of its obligations when a failure to perform is due to an Uncontrollable Force.

24.2 Obligation

No Party shall be considered to be in default in respect to any obligation hereunder if prevented from fulfilling such obligation by reason of an Uncontrollable Force.

24.3 Strike or Labor Dispute

Nothing contained herein shall be construed to require a Party to settle any strike or labor dispute in which it may be involved.

24.4 Written Notice

In the event a Party is rendered unable to fulfill any of its obligations under this Agreement by reason of an Uncontrollable Force, such Party shall give prompt written notice of such fact the other Party and describe in detail the efforts made to remove such inability.

25 EVENT OF DEFAULT

25.1 General

Each of the following shall constitute an “Event of Default” with respect to a Party (the “Defaulting Party”) under this Agreement:

- 25.1.1 the failure to make, when due, any payment or funding obligation required pursuant to this Agreement if such failure is not remedied within ten (10) business days after written notice of such a breach;
- 25.1.2 any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated.
- 25.1.3 the failure to perform any covenant or obligation set forth in this Agreement if such failure is not remedied within ten (10) business days after written notice of such as breach;
- 25.1.4 a Party becomes bankrupt.

25.2 Result of an Event of Default

If an Event of Default with respect to a Defaulting Party has occurred, and if the Event of Default is not caused by an Uncontrollable Force as described in Section 25 hereof, then the non-defaulting Party shall have the right to (i) suspend performance or payment, (ii) designate an early termination date, or (ii) immediately terminate this Agreement subject to any surviving obligations. Both Parties shall continue to perform their obligations or make payments then due or becoming due with respect to performance or payment obligations which arose prior to the date of termination.

26 TASK ORDERS, EXHIBITS, SCHEDULES, AND CONTROLLING TERMS

All Task Orders, exhibits, schedules and related attachments which are attached to this Agreement are incorporated by reference, as if set out in full herein. The provisions of each

Task Order including exhibits, schedules and related attachments are subject to the Terms and Conditions of the Agreement between the Parties. If any provisions of any Task Order including any exhibit, schedule or related attachment conflicts or is inconsistent with any provisions in the Agreement, the provisions of the Task Order shall take precedence unless otherwise expressly stated otherwise.

27 JUDGMENTS AND DETERMINATIONS

When the terms of this Agreement provide that an action may or must be taken, or that the existence of a condition may be established, based on a judgment or determination of a Party, such action or judgment shall be exercised or such determination shall be made in good faith and where applicable in accordance with Good Utility Practice, and shall not be arbitrary or capricious.

28 COMPLIANCE WITH LAW

Each Party shall be responsible for compliance with all laws or regulations applicable to the Scope of Services being provided under this Agreement. If either Party's activities hereunder become subject to law or regulation of any kind, which renders the activity illegal, unenforceable, or which imposes additional costs on such Party for which the Parties cannot mutually agree upon an acceptable price modification, then such Party shall at such time have the right to terminate this Agreement upon written notice to the other Party with respect to the illegal, unenforceable, or uneconomic provisions only; the remaining provisions of this Agreement will remain in full force and effect. Any such termination shall not constitute a basis for Termination for Event of Default as defined in Section 25.

29 NON-WAIVER

Any waiver at any time by a Party of its rights with respect to any default or other matter arising in connection with this Agreement shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

30 SEVERABILITY

If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition shall be held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest, by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be

affected thereby but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

31 NO DEDICATION OF FACILITIES

Any undertaking by a Party under any provision of this Agreement is rendered strictly as an accommodation and shall not constitute the dedication of its electric system by the undertaking Party to the public, to the other Party, or to any third party, and any such undertaking by a Party shall cease upon the termination of all such Party's obligations under this Agreement. The electric system of a Party shall at all times be, and remain, in the exclusive ownership, possession, and control of that Party, and nothing in this Agreement shall be construed to give the other Party any right of ownership, possession, or control of such electric system.

32 OWNERSHIP AND MAINTENANCE OF RECORDS

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by SMUD and made available at all reasonable times during the contract period and for three (3) years from the date of final payment under this Agreement for inspection by BANC.

33 AUDIT RIGHTS

During the term of this Agreement, and for three (3) years following the effective date of termination, each Party may audit the other Party's books and records for the sole purpose of verifying the calculation of payments made or received, including the calculation of pricing or compensation due pursuant to this Agreement. Any such audit shall be conducted at the audited Party's offices during its normal business hours, at the auditing Party's own expense. The auditing Party shall be responsible for the audited Party's expenses to accommodate such audit.

Each Party shall maintain the confidentiality of the other Party's accounting records and supporting documents in compliance with Section 9 (Confidentiality) of this Agreement and shall use them only for the purpose of confirming the accuracy of billings and payments under this Agreement.

34 NOTICES

Any notice, demand, or request in accordance with this Agreement, shall be in writing and shall be deemed properly served, given, or made if delivered in person, electronic mail (email), or sent by first class United States mail postage prepaid, by confirmed electronic facsimile, or by prepaid commercial courier service to a Party via its representative or alternate representative at

the address set forth in Appendix 1, unless otherwise provided in this Agreement. Any Party may at any time change the designation or address of a person specified in Appendix 1 upon written notice to the other Party designated for such notice. Such a change to Appendix 1 shall not constitute an amendment to this Agreement.

35 PRESERVATION OF OBLIGATIONS

Upon termination of this Agreement, all unsatisfied obligations of each Party shall be preserved until satisfied.

36 APPENDICES AND EXHIBITS MADE PART OF AGREEMENT

Referenced Appendices and Exhibits shall become a part of this Agreement; however, may be amended as provided individually therein. The initial Appendix 1 and Exhibit A are attached hereto, and shall be in force and effect in accordance with their respective terms until superseded by a subsequent appendix or exhibit or modified in accordance with this Agreement and the terms thereof.

37 MULTIPLE COUNTERPARTS

This Agreement and any exhibit or appendix may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.

38 SIGNATURE CLAUSE

The signatories to this Agreement represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign. The Parties agree that this Agreement may be executed by handwritten signature or digitally signed using Adobe Sign or Adobe E-Signature. An electronic or digital signature is the same as a handwritten signature and shall be considered valid and acceptable.

IN WITNESS THEREOF, the Parties have executed this Agreement and it is effective as of the Effective Date set forth in Section 4.1.

BALANCING AUTHORITY OF NORTHERN CALIFORNIA

By: _____

Name: _____

Title: _____

Date: _____

**Approved as
to Form:** _____

BANC Legal Counsel

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

**Approved as
to Form:** _____

SMUD Legal Counsel

Appendix 1 – Notices

Sacramento Municipal Utility District

Primary Project

Representative

Name:	Frankie McDermott
Title:	Chief Operations Officer
Company:	SMUD
Address:	6201 S Street, M.S. B308
City/State/Zip Code:	Sacramento, CA 95817
Email Address:	frankie.mcdermott@smud.org
Phone:	916-732-5303

Alternate Project

Representative

Name:	Christiaan Hofmann
Title:	Director Transmission Planning and Operations
Company:	SMUD
Address:	6001 S Street, M.S. D105
City/State/Zip Code:	Sacramento, CA 95817
Email Address:	Christiaan.Hofmann@smud.org
Phone:	916-732-4812

Balancing Authority of Northern California

Primary Project

Representative

Name:	Jim Shetler
Title:	General Manager
Company:	Balancing Authority of Northern California (BANC)
Address:	P.O. Box 15830, MS D109
City/State/Zip Code:	Sacramento, CA 95852-1830
Email Address:	jimshetler@thebanc.org
Phone:	916-870-3774

Alternate Project

Representative

Name:	Tony Braun
Title:	BANC General Counsel
Company:	Braun Blaising & Wynne, P.C.
Address:	2600 Capitol Avenue, STE 400
City/State/Zip Code:	Sacramento, CA 95816
Email Address:	braun@braunlegal.com
Phone:	916-718-0848

This Appendix 1 may be updated as needed by either Party. Any changes will be provided to all individuals listed herein. Email may be used to communicate the revisions.

EXHIBIT A: TASK ORDERS

This Exhibit A incorporates the MSA Services under this Agreement, identified as Task Orders to be performed by SMUD.

APPROVAL DRAFT

Balancing Authority of Northern California

Agenda Item 5C

1. Resolution 25-10-02 *Approval of 2026 Annual Budget for BANC.*
2. Attachment A to Resolution 25-10-02: *BANC 2026 Budget – October 2025 Draft.*

**Balancing Authority of Northern California
Resolution 25-10-02**

APPROVAL OF 2026 ANNUAL BUDGET FOR BANC

WHEREAS, the Balancing Authority of Northern California ("BANC") Joint Powers Agreement ("JPA") Section 11.4 describes both the responsibilities and the non-delegable duties of the BANC Commission which include approving an annual budget and approving assessments to each Member; and

WHEREAS, JPA Section 12 provides that the BANC Commission may assess each Member for its respective Participation Percentage share of funds required to carry out BANC's purposes as specified in the annual budget; and

WHEREAS, BANC Resolution 12-02-03 established a process whereby Member assessments shall be required no less than two times per year; and

WHEREAS, the General Manager worked together with vendors and counsel to develop a draft budget that has been presented to the Commission for information and review during prior Commission meetings; and

WHEREAS, based on input and direction from the Commission, the General Manager has prepared a final version for consideration and possible adoption by the Commission.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby:

1. Approve the 2026 Annual Budget for BANC in the form attached hereto as Attachment A.
2. Directs the BANC Treasurer to assess each BANC Member and EIM Participant in accordance with Resolution 12-02-03.
3. Directs the General Manager to execute a funding agreement with WAPA-SNR for its share of participation costs.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 22nd day of October, 2025, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	Martin Caballero				
City of Redding	Joe Bowers				
City of Roseville	Shawn Matchim				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

Shawn Matchim
Chair

Attest by: C. Anthony Braun
Secretary

BANC 2026 Budget

October 2025 Draft

1. Base Budget

a. General Manager Expenses = **\$474,000**

- i. Scope: General Manager retainer (@\$37,500/mo.) and expenses (@\$2,000/mo.) = \$474,000
- ii. Assumptions: No change proposed in retainer or monthly expenses

b. Legal Services = **\$614,855**

- i. Assumptions: No change proposed in legal retainer from 2025 @ \$49,737.91/mo. Allowance for travel expenses @\$1,500/mo.
- ii. Scope of Services includes:
 - 1. All public agency support including Commission meetings, committee meetings, Brown Act, public records, Fair Political Practices Commission support;
 - 2. Vendor and other contract review;
 - 3. General business support with GM;
 - 4. Development of new and refreshed policies and procedures;
 - 5. Strategic planning and coordination with GM;
 - 6. Compliance matters including MCRC;
 - 7. Support for initial stages of any initiatives;
 - 8. Other issues that may arise. In the past this has included such things as the dissolution of Peak RC and formation of RC West
 - 9. Support for Integrated Resource Plan initiative, including meetings, production of written products, legal review and supporting regulatory outreach and communications;
 - 10. RA Policy development, including program organizational support, meetings, work product productions and review, legal review and supporting regulatory outreach and communications.
- iii. Retainer = \$596,855
- iv. Expenses = \$18,000

c. WPP Membership Payments = **\$120,000**

- i. Scope: Covers NWPP charges to BANC as an NWPP member, including RSG, FRSG, and Executive Forum. Increase reflects charges experienced in 2025.

d. Resource Committee Support = **\$460,000**

- i. Scope: Consultant support for:

1. SMUD developing IRP summary for BANC footprint = \$45,000,
 2. Brattle Resource Adequacy policy development = \$265,000,
 3. Pathways Regional Organization Development Funding = \$100,000
 4. Miscellaneous support = \$50,000
- e. Asset Valuation = **\$1,342,428**
- i. Energy Management System
 1. Assumptions:
 - a. Amortized capital cost, excluding EIM module (BANC share) = \$577,566
 - b. Annual Siemens support cost (BANC share) = \$148,350
 - c. Revised to reflect latest capitalization amount for Siemens EMS upgrade (\$8,200,000) and annual support services (\$460,000) both excluding EIM module. Assumes capital investment is amortized over 5 years @ 3%/year. BANC share of EMS capital and support services costs is 43%.
 - d. Costs applied for 9 months in 2026.
 2. Total = \$725,916
 - ii. Energy Management Center/Backup Control Center
 1. Assumptions:
 - a. Total estimated amount for EMC+BCC= \$~2,028,000/year
 - b. TOP/BA share is 76% = \$1,541,280
 2. BANC share of TOP/BA= 40% = \$616,512
- f. Administrative Expenses = **\$166,300**
- i. Accounting/Treasury Support = \$124,300
 - ii. Annual Audit Fees = \$15,000
 - iii. CMUA Membership = \$25,000
 - iv. Bank Charges = \$2,000
- g. Sub-total = **\$3,177,583**
- h. Contingency: **\$250,000**

Total = **\$3,427,583**

Member Breakdown Comparison of 2025 vs. 2026 Base Budgets (based on 2024 NEL for 2026):

MEMBER ALLOCATION (2026 %s)	2025	2026
SMUD (70.03%)	\$ 1,872,261.92	\$ 2,382,828.87
MID (16.59%)	\$ 459,811.07	\$ 564,488.52
ROSEVILLE (7.34%)	\$ 204,330.41	\$ 249,749.59
REDDING (4.82%)	\$ 131,799.88	\$ 164,004.50
SHASTA LAKE (1.22%)	\$ 38,159.72	\$ 41,511.51
Subtotal	\$ 2,706,363.00	\$ 3,402,583.00
TPUD (fixed)	\$ 25,000.00	\$ 25,000.00
TOTAL	\$ 2,731,363.00	\$ 3,427,583.00

2. Participation Agreement #1 (PA-1) – PC Services

a. Assumptions:

- i. SMUD to provide contract PC services to BANC
- ii. Total Cost to BANC = \$408,113
 1. Main PC evaluation labor = \$297,028
 2. \$41,585 for labor to perform an overview assessment of full BANC footprint
 3. Additional hours (260) for GMD study due in 2026 = \$60,000 plus GE license fee = \$9,500
 4. Includes a 3.0% labor rate adjustment for 2026
- iii. WAPA-SNR does not participate, TPUD and Shasta Lake embedded within WAPA-SNR; all other members participate
- iv. Cost to be allocated based upon 50% to SMUD and 50% to remaining members prorated by share of generation/60kV and above buses among the remaining members:
 1. SMUD = (50%)
 2. MID = (30%)
 3. Roseville = (10.5%)
 4. Redding = (9.5%)

b. Estimated costs by member:

MEMBER	PA-1 ASSESMENT
SMUD (50%)	\$ 204,056.50
MID (30%)	\$ 122,433.90
ROSEVILLE (10.5%)	\$ 42,851.87
REDDING (9.5%)	\$ 38,770.74
TOTAL	\$ 408,113.00

3. Participation Agreement #2 (PA-2) – RC Funding

a. Assumptions

- i. BANC transitioned from Peak RC to RC West (CAISO) for RC services on 7/1/19 and going forward.
- ii. RC West Funding
 1. TPUD and Shasta Lake are embedded within WAPA-SNR, which becomes a TOP Funding Party under CAISO RC West tariff.
 2. MID, Redding, and SMUD become TOP Funding Parties under CAISO tariff.
 3. BANC pays the remaining amount allocated to the BA footprint per CAISO tariff for Roseville.
 4. Assumed RC West 2026 charge-out rates = \$0.035/MWH
 5. 2024 NEL for remaining BANC footprint:
 - a. Roseville = 1,204,321 MWH

b. Estimated costs under PA-2 based upon RC West proposed rates for Roseville:

MEMBER	2024 NEL - MWH	2026 ASSESSMENT
ROSEVILLE	1,204,321	\$ 42,151.24
TOTAL	1,204,321	\$ 42,151.24

4. Participation Agreement #3 (PA-3) – EIM Implementation (Phase 1) - CLOSED

5. Participation Agreement #4 (PA-4) –Market Tracking & Evaluation

a. Assumptions

- i. We believe that continued monitoring of general market activities in the West is warranted. This likely will include FERC filings and also possible FERC meetings and technical conferences. Also, regionalization discussions will likely continue as reflected in recent studies performed by various advocacy groups and the Pathways Initiative. The total monthly legal services retainer remains at \$12,000.
- ii. It is assumed that all Participating Resources (SMUD, MID, WAPA-SNR, Roseville, and Redding) participate in this effort. (NOTE: Shasta Lake loads assumed part of Redding load for this allocation). Cost allocation based upon 2026 3-year rolling average NEL as follows:
 1. SMUD – 64.2%
 2. MID – 15.4%
 3. WAPA-SNR – 7.8%
 4. Roseville – 6.9%
 5. Redding – 5.7%

b. Scope of services includes:

- i. High level monitoring of Western regional developments outside of the CAISO, such as WRAP, SPP Markets+, WestTec, or other similar initiatives;
- ii. Regional engagement on behalf of BANC in forums such as the Council for Regional Power Cooperation (CREPC), WIEB, NARUC Western meetings, and other similar forums;
- iii. Coordination with EDAM Entities on regional matters;
- iv. Coordination with Western POUs on regional matters;
- v. Interface as Body of State Regulators public power liaison;
- vi. Interface on Regional Issues Forum and/or Regional Organization Stakeholder Review Committee.

c. Consultant support will be limited to part of the contract support from CES.

IMPLEMENTATION CATEGORY	COST ESTIMATE	SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING
Legal Support	\$ 144,000.00	\$ 92,448.00	\$ 22,176.00	\$ 11,232.00	\$ 9,936.00	\$ 8,208.00
Consultant Support						
~ Market Dev, Spt. (CES)	\$ 25,500.00	\$ 16,371.00	\$ 3,927.00	\$ 1,989.00	\$ 1,759.50	\$ 1,453.50
Total Estimate	\$ 169,500.00	\$ 108,819.00	\$ 26,103.00	\$ 13,221.00	\$ 11,695.50	\$ 9,661.50
Contingency (5%)	\$ 8,475.00	\$ 5,440.95	\$ 1,305.15	\$ 661.05	\$ 584.78	\$ 483.08
TOTAL	\$ 177,975.00	\$ 114,259.95	\$ 27,408.15	\$ 13,882.05	\$ 12,280.28	\$ 10,144.58

6. Participation Agreement #5 (PA-5) – EIM Participation

a. Assumptions

- i. BANC serves as EIM Entity

- ii. SMUD/MID/Roseville/Redding/WAPA-SNR participate as PRSCs for full year
- iii. Costs allocated in accordance with 2026 3-year rolling average NEL for all five participants as follows:
 - 1. SMUD – 64.2%
 - 2. MID – 15.4%
 - 3. WAPA-SNR – 7.8%
 - 4. Roseville – 6.9%
 - 5. Redding – 5.7%
- b. Cost estimates based on EIM Services Agreement, and latest estimates, including software charges per contracts. Includes 3% adjustment for SMUD labor and 3% adjustment for software contracts. SMUD labor for EIM Desk, SME/Oversight, and Settlements will be charged out based upon actual hours expended. Charges for all other SMUD labor will be allocated based upon the estimate provided.
- c. CAISO charges have been eliminated from the PA-5 budget as these are handled through the settlements process.
- d. Allocation of TPUD load settlement charges assigned to SMUD/MID/Redding/Roseville per original agreement. Load based settlement charges assumed at \$25,000 for EIM operation in 2025.
- e. Legal services for regulatory support assumed at \$135,000 (25-30 hours/month). Scope of services to include:
 - i. Assess High Priority Issues in the CAISO stakeholder process that affect members and BANC. Tentatively this would include matters that are directly relevant to the market that we will be participating in, such as Resource Sufficiency Evaluation, Greenhouse Gas/market interface, Day Ahead and Real Time market Rules. In this phased in period, we would not propose to cover Interconnection Queue issues, Transmission Planning. Resource Adequacy issues, while not directly applicable to us, are a closer call to be discussed.
 - ii. Summarize and brief members on issues. Lead committee discussions.
 - iii. Work with member staff and any outside consultants to develop positions.
 - iv. Draft Comments and interface with CAISO Staff and other stakeholders.
 - v. Further issue coverage could be assessed as the program evolves and EDAM gets closer to go-live.

Participation Agreement #5 (PA-5) – EIM Participation (cont.)

		Participant Cost Allocations					
IMPLEMENTATION CATEGORY	ESTIMATE	SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING	TOTAL
Personnel - EIM Desk (5)	\$2,082,382.00						
Personnel - Settlements (1.5)	\$ 711,830.00						
Personnel - Outage Mgmt (0.4)	\$ 153,087.00						
Personnel - Netwk Model (1)	\$ 322,932.00						
Personnel - Meter Data Mgmt (0.5)	\$ 47,797.00						
Personnel - SME/Oversight (0.4)	\$ 206,886.00						
Personnel - IT Support (0.25)	\$ 67,340.00						
Personnel Total (9.05)	\$3,592,254.00						
EIM Software Support							
- OATI	\$ 104,333.00						
- Power Settlements	\$ 513,443.00		\$ 57,964.00			\$ 57,964.00	\$ 629,371.00
- ITOA	\$ 22,511.00						
- Allowance for SW Upgrades	\$ 50,000.00						
- WebEIM	\$ 45,020.00						
EIM Software Support Total	\$ 735,307.00						
EMS EIM Module							
- Amortized Capital	\$ 52,978.00						
- O&M Support	\$ 10,000.00						
EMS EIM Module Total	\$ 62,978.00						
EIM OPERATOR TOTAL	\$4,390,539.00	\$2,818,726.04	\$ 734,107.01	\$ 342,462.04	\$ 302,947.19	\$ 308,224.72	\$4,506,467.00
Miscellaneous Support							
- Legal Support	\$ 135,000.00						
- EIM Stakeholder Support (CES)	\$ 25,500.00						
- Utilicast Support	\$ -						
Miscellaneous Support Total	\$ 160,500.00						
TOTAL EIM Operations	\$4,551,039.00	\$2,921,767.04	\$ 758,824.01	\$ 354,981.04	\$ 314,021.69	\$ 317,373.22	\$4,666,967.00
TPUD Load Charges	\$ 25,000.00	\$ 17,425.00	\$ 4,175.00	\$ -	\$ 1,850.00	\$ 1,550.00	\$ 25,000.00
TOTAL EIM	\$4,576,039.00	\$2,939,192.04	\$ 762,999.01	\$ 354,981.04	\$ 315,871.69	\$ 318,923.22	\$4,691,967.00

7. Participation Agreement #6 (PA-6) – EIM Phase 2 Preparation (Revision 1 – 5/15/19)
– CLOSED

8. Participation Agreement # 7 (PA-7) – EIM Phase 2 Implementation – CLOSED

9. Participation Agreement # 8 (PA-8) – EDAM Implementation

- a. Assumptions
 - i. BANC serves as EDAM Entity
 - ii. SMUD/MID/Roseville/Redding/WAPA-SNR intend to participate in EDAM
 - iii. Target is for 10/1/27 go-live date for EDAM participation based upon latest decision by CAISO on 2027 EDAM go-live implementation
 - iv. Costs allocated in accordance with 2026 3-year rolling average NEL for all five participants as follows:
 - 1. 1. SMUD – 64.2%
 - 2. 2. MID – 15.4%
 - 3. 3. WAPA-SNR – 7.8%
 - 4. 4. Roseville – 6.9%
 - 5. 5. Redding – 5.7%
- b. Cost estimates based upon Utilicast EDAM “Gap Analysis”; Utilicast EDAM Effort proposal; discussions with SMUD and BB&W; and the EDAM implementation options developed by BANC staff. Based upon a Fall 2027 go-live, activity levels are as follows:
 - i. Advisory support from 1/24 – 12/25
 - ii. Pre-implementation support from 1/26 – 9/26
 - iii. Implementation support from 10/26 – 9/27
 - iv. Go-live – October 2027
 - v. Post go-live support from 10/27 – 11/27
- c. Based upon a better understanding of the complexities of managing the transmission tracking and settlements for EDAM, both Utilicast and SMUD are proposing increases in staffing support for the implementation effort. This is reflected in the estimates for the 2026 Budget to cover additional SME and project management support. In addition, Utilicast support for specific WAPA-SNR issues is included at \$~8,000/month and will be charged to WAPA-SNR.
- d. Based upon discussions with the CAISO, the initial installment (\$300,000) of the CAISO EDAM Implementation fee was paid upon execution of the EDAM Implementation Agreement in Fall 2024. CAISO is estimating the total EDAM Implementation Fee will be ~\$1.8 million, and the budget reflects additional periodic payments for 2026.
- e. Based upon the delay to fall 2027 go-live, the agreement to move initial \$550,000 of charges for Power Settlements from 2026/2027 to Pre-implementation support in 2025 has been reversed. No change in overall Power Settlements cost estimate. Addition of \$45,000 each for MID and Roseville for maintenance/service fees for Power Settlements applications starting in 2026.
- f. 9 months of Pre-Implementation support and 3 months of Implementation support in 2026.
- g. Legal services estimated on Time & Materials basis. Scope of services to include:
 - i. TSP OATT support within BANC footprint
 - ii. Supporting implementation and participation agreements with CAISO

- iii. Member participation agreements
- iv. Development of business practice manuals
- v. Any FERC-filed CAISO agreements
- vi. General tracking of implementation projects and coordination with EDAM Entities on Implementation Issues

IMPLEMENTATION CATEGORY	Spring 2027 Go-Live	SMUD 64.4%	MID 15.6%	WAPA-SNR 7.3%	ROSEVILLE 6.9%	REDDING 5.8%
Pre-Impl. Effort (9 mo)	\$2,252,784.00	\$1,446,287.33	\$391,928.74	\$247,717.15	\$155,442.10	\$173,408.69
~Utilicast Support	\$ 532,950.00			\$ 72,000.00		
~Legal Support	\$ 189,500.00					
~SMUD Ops/Settle/PM Support	\$ 385,334.00					
~Software Upgrades	\$ 545,000.00					
~Power Settlements	\$ 445,000.00		\$ 45,000.00			\$ 45,000.00
~OATI	\$ 100,000.00					
~CAISO Implementation Fee	\$ 600,000.00					
Implementation Effort (3 mo)	\$1,045,759.50	\$ 671,377.60	\$161,046.96	\$105,569.24	\$ 72,157.41	\$ 59,608.29
~Utilicast Support	\$ 165,750.00			\$ 24,000.00		
~Legal Support	\$ 81,050.00					
~SMUD Ops/Settle/PM Supt	\$ 163,959.50					
~Software Upgrades	\$ 335,000.00					
~Power Settlements	\$ 85,000.00					
~OATI	\$ 150,000.00					
~Reporting Software	\$ 100,000.00					
~CAISO Implementation Fee	\$ 300,000.00					
Total Estimate	\$3,484,543.50	\$2,117,664.93	\$552,975.70	\$353,286.39	\$227,599.50	\$233,016.98
Contingency @10%	\$ 348,454.35	\$ 211,766.49	\$ 55,297.57	\$ 35,328.64	\$ 22,759.95	\$ 23,301.70
TOTAL	\$ 3,832,997.85	\$2,329,431.42	\$608,273.27	\$388,615.03	\$250,359.45	\$256,318.68

10. Participation Agreement # 9 (PA-9): Resource Projects Development

- a. BANC will develop appropriate project agreements for the following projects in 2026:
 - i. Finalize PPA and Participation Agreement with Calpine for taking energy and capacity from the Sutter Power Plant under its Carbon Sequestration Project, with exact form to be determined. This includes transfer or assignment of the current SMUD/Calpine MOA to BANC. Forecast agreements to be finalized by mid-2026.
 - ii. Evaluation of additional solicitation for BANC procured resources to meet member RA needs based upon BANC RA Program development.
- b. Support is currently envisioned to be required from BB&W for legal support in negotiating agreements. Estimated support is \$140,000 on a T&M basis. Scope of services include:
 - i. Roughly 6 months of conclusion of Calpine negotiations and member agreements
 - ii. Additional Resource Solicitation finalized and issued mid-2026 and proposals received for evaluation during 2nd half of 2026.
- c. There is a placeholder for additional consultant support as the project negotiations develop.
- d. Assume participation from SMUD, MID, Roseville, and Shasta Lake for both efforts; Redding participation in additional solicitation effort; "Outside Party" participation in Sutter Project using the following percentages:
 - i. SMUD – 76.4%
 - ii. MID – 11.8%
 - iii. Roseville – 4.7%
 - iv. Redding/Outside Party – 5.9%
 - v. Shasta Lake – 1.2%

IMPLEMENTATION CATEGORY	COST ESTIMATE	SMUD	MID	ROSEVILLE	REDDING	SHASTA LAKE	OUTSIDE PARTY
Legal Support	\$ 140,000.00	\$ 106,960.00	\$ 16,520.00	\$ 6,580.00	\$ 4,130.00	\$ 1,680.00	\$ 4,130.00
Consultant Support (Agreement dvlpmt)	\$ 50,000.00	\$ 38,200.00	\$ 5,900.00	\$ 2,350.00	\$ 1,475.00	\$ 600.00	\$ 1,475.00
Total Estimate	\$ 190,000.00	\$ 145,160.00	\$ 22,420.00	\$ 8,930.00	\$ 5,605.00	\$ 2,280.00	\$ 5,605.00
Contingency (~5%)	\$ 9,500.00	\$ 7,258.00	\$ 1,121.00	\$ 446.50	\$ 280.25	\$ 114.00	\$ 280.25
TOTAL	\$ 199,500.00	\$ 152,418.00	\$ 23,541.00	\$ 9,376.50	\$ 5,885.25	\$ 2,394.00	\$ 5,885.25

11. 2026 BANC Member Assessments

MEMBER	BASE BUDGET	PA-1: PA/PC	PA-2: RC West	PA-4: MKT MONITORING	PA-5: EIM Part.	PA-8: EDAM Imp.	PA-9: Resource Projects Dvlpmnt	Proposed 2026 TOTAL	Amended 2025 TOTAL (includes 7/25 update)
SMUD	\$ 2,382,828.87	\$ 204,056.50	\$ -	\$ 114,259.95	\$ 2,939,192.04	\$ 2,329,431.42	\$ 152,418.00	\$ 8,122,186.78	\$6,181,356.45
MID	\$ 564,488.52	\$ 122,433.90	\$ -	\$ 27,408.15	\$ 762,999.01	\$ 608,273.27	\$ 23,541.00	\$ 2,109,143.84	\$1,605,426.54
ROSEVILLE	\$ 249,749.59	\$ 42,851.87	\$ 42,151.24	\$ 12,280.28	\$ 315,871.69	\$ 250,359.45	\$ 9,376.50	\$ 922,640.61	\$711,163.59
REDDING	\$ 164,004.50	\$ 38,770.74	\$ -	\$ 10,144.58	\$ 318,923.22	\$ 256,318.68	\$ 5,885.25	\$ 794,046.96	\$590,490.21
SHASTA LAKE	\$ 41,511.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,394.00	\$ 43,905.51	\$40,553.72
TPUD	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$25,000.00
BANC TOTAL	\$ 3,427,583.00	\$ 408,113.00	\$ 42,151.24	\$ 164,092.95	\$ 4,336,985.96	\$ 3,444,382.82	\$ 193,614.75	\$ 12,016,923.71	\$9,153,990.52
OUTSIDE PARTY							\$ 5,885.25	\$ 5,885.25	
WAPA-SNR	\$ -	\$ -	\$ -	\$ 13,882.05	\$ 354,981.04	\$ 388,615.03	\$ -	\$ 757,478.12	\$537,218.82
GRAND TOTAL	\$ 3,427,583.00	\$ 408,113.00	\$ 42,151.24	\$ 177,975.00	\$ 4,691,967.00	\$ 3,832,997.85	\$ 199,500.00	\$ 12,780,287.09	\$9,691,209.34

Balancing Authority of Northern California

Agenda Item 5D

- 1. Draft BANC 2025/2026 Strategic Initiatives.**

BANC 2025/2026 Strategic Plan - Routine Initiatives - September 2025 Draft

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
1 Medium	INDEPENDENCE	Effectively oversee the BA operations.	Jim Shetler	Ongoing	See monthly Ops, PC, Compliance, & GM Reports
2 Medium		Maintain long-term succession plan and traits for General Manager	Jim Shetler/Commission	Ongoing as Necessary	No update planned for 2025
3 Medium		Develop appropriate policies, procedures, & action tracking	Jim Shetler/BB&W	4th Qtr. 2026	
4 Medium	OUTREACH	Engage in industry forums (WECC, RC West, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & WPP mtgs.
5 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL/SRP/LA/TP/TID on EIM/EDAM & SB100
6 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BB&W	Ongoing as Necessary	
7 Medium		Engage TID on BA/EIM/EDAM	Jim Shetler/BB&W	Ongoing	
8 High		Develop prioritized risk matrix on key regulatory issues	BB&W/Jim Shetler	Mid-2026	
9 Medium	ASSETS	Monitor RA development in WI including EDAM RA program	Jim S./BB&W/Res. Com.	4th Qtr. 2026	
10 Medium		Finalize BANC-wide IRP Report	Jim S./Res. Comm	3rd Qtr. 2026	
11 High		Upgrade BANC RA Program	Jim S./Res. Comm.	3rd Qtr. 2026	
12 Low	MEMBER SERVICES	Coordinate with BANC Operator to identify education areas for grid operations and outreach to members	Jim Shetler/Chris Hofmann	4th Qtr. 2026	
13 Low		Develop general education on BANC functions & support	Jim Shetler/BB&W	4t Qtr. 2026	

BANC 2025/2026 Strategic Plan - Focused Initiatives - September 2025 Draft

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
14 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
15 High		EDAM implementation effort ~ Manage BANC EDAM Imp. ~ Coordinate seams discussion	Jim Shetler/BBW/ Utilicast	Oct-27	
16 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, Tacoma, Idaho, PAC, & PGE
17 Medium		Regional Policy Issues: Monitor/weigh-in where appropriate	Jim Shetler/Commission	Ongoing	
18 High		Market Regionalization: ~Monitor ongoing discussions at WEIL, Pathways, & etc.	Jim Shetler/BBW	Ongoing	
19 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BBW	Ongoing	
20 High	ASSETS	~ Develop agreements for Sutter CS Project	Jim S./BBW/Res. Com.	3rd Qtr. 2026	
21 High		~ Develop/issue BANC resource solicitation/Educate developers	Jim S./BB&W/Res. Com.	Mid-2026	
22 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM/EDAM operations	Jim S.	Ongoing	